

STATE OF MICHIGAN  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND FUND BALANCES**  
**PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS**  
 FISCAL YEAR ENDED SEPTEMBER 30, 1999  
 (In Thousands)

	PROPRIETARY FUND TYPES		TOTALS PRIMARY GOVERNMENT	COMPONENT UNITS
	ENTERPRISE	INTERNAL SERVICE	(MEMORANDUM ONLY)	
<b>OPERATING REVENUES</b>				
Operating revenues	\$ 2,297,741	\$ 877,963	\$ 3,175,704	\$ 63,915
Interest income	-	-	-	371,374
Investment revenue (net)	-	-	-	5,388
Miscellaneous	-	-	-	38,051
	<u>2,297,741</u>	<u>877,963</u>	<u>3,175,704</u>	<u>478,728</u>
<b>OPERATING EXPENSES</b>				
Salaries, wages, and other administrative	245,328	161,081	406,408	84,340
Interest expense	-	-	-	277,812
Depreciation	648	29,090	29,739	310
Purchases for resale	386,170	32,262	418,432	439
Purchases for prison industries	-	12,236	12,236	-
Lottery prize awards	944,508	-	944,508	-
Premiums and claims	-	624,706	624,706	-
Other operating expenses	576	46,495	47,071	121,396
	<u>1,577,230</u>	<u>905,869</u>	<u>2,483,099</u>	<u>484,297</u>
Total Operating Expenses	<u>1,577,230</u>	<u>905,869</u>	<u>2,483,099</u>	<u>484,297</u>
Operating Income (Loss)	<u>720,511</u>	<u>(27,906)</u>	<u>692,605</u>	<u>(5,569)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Specific tax on spirits	9,304	-	9,304	-
Federal grant revenue	-	-	-	72,353
Interest revenue	8,584	-	8,584	1,281
Investment revenue (expense) - net	(15,005)	-	(15,005)	-
Other nonoperating revenues	41	30	70	9,363
Nonoperating grants	-	-	-	(120,695)
Amortization of prize award obligation discount	(73,267)	-	(73,267)	-
Interest expense	(14,550)	(1,739)	(16,288)	(231)
Other nonoperating expenses	-	(552)	(552)	(14)
	<u>(84,892)</u>	<u>(2,261)</u>	<u>(87,154)</u>	<u>(37,942)</u>
Total Nonoperating Revenues (Expenses)	<u>(84,892)</u>	<u>(2,261)</u>	<u>(87,154)</u>	<u>(37,942)</u>
Income (Loss) Before Operating Transfers	<u>635,618</u>	<u>(30,167)</u>	<u>605,451</u>	<u>(43,512)</u>
<b>OPERATING TRANSFERS</b>				
Operating transfers from component units	-	-	-	126,814
Operating transfers from primary government	-	-	-	1,809
Operating transfers to other funds	(742,401)	(270)	(742,671)	-
Operating transfers to primary government	-	-	-	(995)
	<u>(742,401)</u>	<u>(270)</u>	<u>(742,671)</u>	<u>127,628</u>
Total Operating Transfers In (Out)	<u>(742,401)</u>	<u>(270)</u>	<u>(742,671)</u>	<u>127,628</u>
Net Income (Loss)	<u>(106,783)</u>	<u>(30,437)</u>	<u>(137,220)</u>	<u>84,117</u>
Retained Earnings and Fund Balances -				
Beginning of fiscal year - restated	182,814	81,762	264,576	854,026
Effect of accounting change	-	-	-	(171,381)
Retained Earnings and Fund Balances -	<u>182,814</u>	<u>81,762</u>	<u>264,576</u>	<u>682,645</u>
Beginning of fiscal year	<u>182,814</u>	<u>81,762</u>	<u>264,576</u>	<u>682,645</u>
Equity transfers to other funds	(6,500)	-	(6,500)	-
Equity transfers to component units	-	-	-	(36,118)
Retained Earnings and Fund Balances -	<u>69,531</u>	<u>51,325</u>	<u>120,856</u>	<u>730,643</u>
End of fiscal year	<u>\$ 69,531</u>	<u>\$ 51,325</u>	<u>\$ 120,856</u>	<u>\$ 730,643</u>

The accompanying notes are an integral part of the financial statements.